ABSTRACT

Bonds are debt instruments issued by the bond issuer to the bondholder, containing an agreement to repay the principal, along with interest coupons, at maturity. Bond investors can calculate their expected return by measuring the bond yield, which represents the amount of investment income on the invested funds.

The purpose of this study was to determine the effect of profitability, company size, and leverage on bond yields for companies issuing bonds on the Indonesia Stock Exchange (IDX) during the 2019-2023 period. The method used in this study was a quantitative method with secondary data obtained from financial statements, annual reports, and bond books published by the IDX during the 2019-2023 period.

The population in this study was companies issuing bonds on the IDX during the 2019-2023 period. This study used a purposive sampling technique to determine the sample used, based on certain criteria, resulting in 32 companies with a total of 630 observations.

The results of this study indicate that profitability, company size, and leverage simultaneously influence bond yields. Profitability and company size partially influence bond yield, while leverage partially has no effect on bond yield.

Based on the limitations of this study, future researchers are expected to add variables beyond those listed in this study to produce broader and more in-depth research on the variables that can influence bond yield.

Keyword : bond yield, profitability, firm size, leverage